

## **REMARKS**

The Examiner has stated that the title of the invention is not descriptive.

Applicant has amended the Title Accordingly.

The Examiner has objected to the Abstract.

Applicant has amended the Abstract accordingly.

The Examiner has rejected claims 1-19 under 35 USC 101 as being directed non-statutory subject matter.

Applicant has amended the claims accordingly.

Claims 1-19 are rejected under 35 USC 102(b) as being anticipated by Morea et al. (US 2002/0120537).

Morea disclose claim:

1. A system for providing financial transactions on the Internet comprising:

a merchant bank linked to a processing center (fig. 12, 402, 404); forms of payment (fig. 14, payment types); and an escrow system (paragraph [0003], [0073]; claim 47.)

Applicant has amended claim 1 to add the limitations of claims 4, 5 and 11. Claim 1 now requires that the forms of payment outside of credit cards are treated as an ACH transactions where funds are pulled immediately from a purchasers account as funds are available, and the ACH transactions is placed into an escrow on behalf of the purchaser and is held there until the merchant completes the transactions. Although Morea states that his invention relates to

an escrow account, there is no description of how the system works regarding the escrow account other than to define that it exists. With relations to claim 1, the escrow account has a specific function with regards to an ACH transaction. Therefore amended claim 1 is not anticipated nor obvious over Morea.

2. The system of claim 1 wherein said system matches a zip code of said merchant to banks having zip codes nearby and sends an application to said banks for a quote [claim 53].

Although Morea discusses receiving zip codes from the seller or buyer, Morea does not discuss a system having zip codes for banks and therefore cannot match a zip code to a merchant to a zip code to a bank and send the application to a bank for a quote. For these reasons and the reasons stated above for Claim 1, claim 2 is not anticipated nor obvious over Morea.

3. The system of claim 1 wherein said banks include national syndicated banks, international banks and offshore banks ([0003], [0031], [0041], [0071], claims 10 and 36.

For the reasons stated above for Claim 1, claim 3 is not anticipated nor obvious over Morea.

4. The system of claim 1 wherein said form of payment is selected from the group consisting of;

manual entered credit card; card present transaction using outside company, proprietary devices (i.e., eConnect, eCashPad), PIN Debit transactions using same type of card present devices, on-line check, savings account drafts,

money market checks, margin security check, on-line credit line pulls, wire transfers, sight drafts, letter's of credit, and similar forms of payment (92; payment methods).

Claim 4 has been cancelled.

5. The system of claim 4 wherein all forms of payments outside of credit cards are treated as an ACH transaction where funds are pulled immediately from a purchaser's account if funds are available (ACH/EFT; 92).

Claim 5 has been cancelled.

6. The system of claim 1 wherein a purchaser can interact with a processing center on-line in selecting alternative payment methods if said first form of payment chosen by a purchaser does not have available funds (figs. 1-3).

Morea does not disclose that a purchaser can interact with a processing center on line in selecting alternative payment methods if the first form of payment does not have available funds. For this reason and the reasons stated above for Claim 1, claim 6 is not anticipated nor obvious over Morea.

7. The system of claim 1 further comprising: a foreign currency exchange for a purchaser if an ACH form of payment has been selected ([0003], [0031], [0041], [0071], claims 10 and 36).

For the reasons stated above for Claim 1, claim 7 is not anticipated nor obvious over Morea.

8. The system of claim 1 further comprising an encryption for encrypting a transaction ([0122], [0021]).

For the reasons stated above for Claim 1, claim 8 is not anticipated nor obvious over Morea.

9. The system of claim 8 wherein said encryption process takes a transaction and encrypts it as a purchaser loads data into a shopping cart payment process ([0122], [0121]).

Although Morea describes an encryption process, Morea does not describe that the encryption process takes a transaction and encrypts it as a purchaser loads data into a shopping cart payment process. For this reason and the reasons stated above for Claim 1, claim 9 is not anticipated nor obvious over Morea.

10. The system of claim 8 wherein said encryption process is only de-encrypted when said transaction reaches said processing center ([0122], [0121]).

Although Morea discusses an encryption process, Morea does not disclose that the decryption only occurs when the transaction reaches the processing center. For these reasons and the reasons described for Claim 1, claim 10 is not anticipated nor obvious over Morea.

11. The system of claim 1 wherein each ACH transaction is placed into an escrow account on behalf of a purchaser and held there until said merchant completes said transaction (paragraph [0003], [0073]; claim 47).

Claim 11 has been cancelled.

12. The system of claim 11 further comprising: said system electronically matching and clearing said transaction by moving funds out of said escrow into a merchant account (ACH).

For the reasons stated above for Claim 1, claim 12 is not anticipated nor obvious over Morea.

13. The system of claim 12 wherein said system provides notification to said purchaser that a time limit of said escrow has ended and allows said purchaser either to extend said escrow or request a refund of funds (paragraph [0003], [0073]; claim 47).

Although Morea discloses an escrow account, Morea does not disclose providing notification to a purchaser that a time limit of the escrow has ended and allows the purchaser to extend the escrow or request a refund of the funds. For the reasons stated above for Claim 1, claim 13 is not anticipated nor obvious over Morea.

14. The system of claim 1 further comprising; an accounting system that stores details of transactions for retrieval (figs. 3-4).

For the reasons stated above for Claim 1, claim 14 is not anticipated nor obvious over Morea.

15. A method for providing financial transactions on the internet comprising; providing a shopping cart selection and merchant account application; linking an e-commerce shopping cart to a processing center; choosing a shopping cart; creating a merchant account; providing merchant

account information; submitting said merchant account information to a bank; submitting said merchant processing request to processing centers for transaction processing quotes; notifying said merchant of banks who approved said merchant account request and processing center and their rates; and selecting said bank and processing center (method steps of figs. 1-5).

Morea does not disclose linking an e-commerce shopping cart to a processing center. Further, Morea does not disclose that a merchant processing request is forwarded to processing centers for transaction processing quotes. Morea does not notify the merchant of banks who are approved, the merchant account request and processing center and their rates. Therefore claim 15 is not anticipated or obvious over Morea.

16. The method of claim 15 wherein said shopping cart is selected from the group consisting of an Internet service access processor combined shopping cart, or another shopping cart or e-commerce existing platform. (figs. 7-11).

For the reasons stated above for Claim 15, claim 16 is not anticipated nor obvious over Morea.

17. The method of claim 16 wherein said another type of shopping cart has a payment processing platform (figs. 7-11).

For the reasons stated above for Claim 15, claim 17 is not anticipated nor obvious over Morea.

18. The method of claim 15 wherein if said user does not get a processing center quote, an ASP/e-commerce site programming organization

downloads Internet service access processing engine and links this to an e-commerce site (fig. 5).

Morea does not teach that if the user does not get a processing quote, and ASP/e-commerce cite downloads access. For the reasons stated above for Claim 15, claim 18 is not anticipated nor obvious over Morea.

19. The method of claim 18 wherein said ASP/e-commerce site programming organization performs a transaction test (fig. 5).

Morea does not teach that the ASP/e-commerce cites performs a transaction test. For this reason and the reason stated above for claim 15, claim 19 is not anticipated nor obvious over Morea.

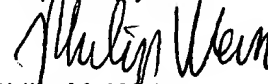
Applicant believes the application is now in condition for allowance.

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for Patents, P.O. Box 1450, Alexandria, VA 22313

Signature: 

Name: Debbie Broderick

Respectfully submitted,



Phillip M. Weiss

Reg. No. 34,751

Attorney for Applicant

Weiss & Weiss

300 Old Country Rd., Ste. 251

Mineola, NY 11501

(516) 739-1500